

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING) CASE NO. 2009-00493
OF BATH COUNTY WATER DISTRICT)

O R D E R

On December 11, 2009, Bath County Water District ("Bath County") applied for approval to adjust its rates pursuant to the Purchased Water Adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Bath County purchases water from the City of Morehead Utility Plant Board ("Morehead") and Mt. Sterling Water.

2. Morehead notified Bath County that, effective with its January 1, 2010 billing, its wholesale water rate would increase from \$0.95 per 1,000 gallons to \$0.996 per 1,000 gallons. Bath County proposed to increase the water rates to its customers effective on and after January 1, 2010.

3. During the 12 months ending November 30, 2009, Bath County purchased 406,023,000 gallons of water from Morehead. Bath County sold a total of 357,154,000 gallons. The increase in the cost of purchased water is \$18,677.06,

¹ KRS 278.012 and 807 KAR 5:068.

resulting in a purchased water adjustment of \$0.06 per 1,000 gallons and not \$0.05 per 1,000 gallons as proposed by Bath County.

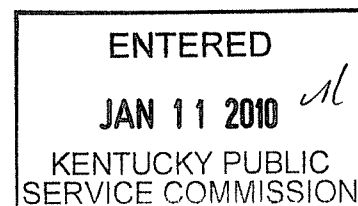
4. Bath County incorrectly applied the purchased water adjustment of \$0.05 per 1,000 gallons to its current rate design. The rates proposed by Bath County should be denied.

5. The purchased water adjustment of \$0.06 per 1,000 gallons is fair, just, and reasonable and should be approved.

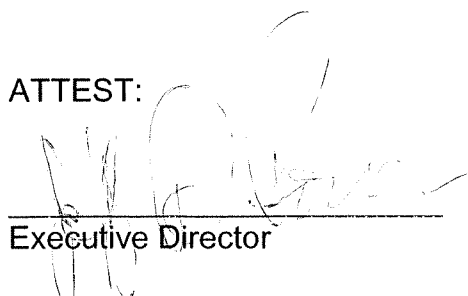
IT IS THEREFORE ORDERED that:

1. The rates proposed by Bath County are denied.
2. The purchased water adjustment of \$0.06 per 1,000 gallons, as calculated in Appendix A, is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after January 1, 2010.
4. Within 30 days of the date of this Order, Bath County shall file new tariff sheets showing the rates approved herein.

By the Commission



ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00493 DATED JAN 11 2010

	New Rate	Base Rate
Bath County Water		
Purchases in gallons	406,023,000	406,023,000
Volumetric rate	\$0.996 per 1000 gallons	\$0.95 per 1000 gallons
	\$404,398.91	\$385,721.85

Increased water cost \$18,677.06

Increased water cost	\$ 18,677.06
Divided by gallons sold	<u>357,154,000</u>
Purchased water adjustment factor	\$0.06 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00493 DATED JAN 11 2010

The following rates and charges are prescribed for the customers in the area served by Bath County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8" X 3/4" Meter

First	2,000	gallons	\$ 13.87	Minimum bill
Next	3,000	gallons	5.26	per 1,000 gallons
Next	5,000	gallons	3.96	per 1,000 gallons
Next	10,000	gallons	3.36	per 1,000 gallons
Next	30,000	gallons	3.16	per 1,000 gallons
All Over	50,000	gallons	3.06	per 1,000 gallons

1" Meter

First	10,000	gallons	\$ 49.45	Minimum bill
Next	10,000	gallons	3.36	per 1,000 gallons
Next	30,000	gallons	3.16	per 1,000 gallons
All Over	50,000	gallons	3.06	per 1,000 gallons

2" Meter

First	50,000	gallons	\$ 177.85	Minimum bill
All Over	50,000	gallons	3.06	per 1,000 gallons

Leak Adjustment Rate	\$2.35	per 1,000 gallons
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Wholesale Water Rates

Sharpsburg Water District	\$2.79	per 1,000 gallons
City of Frenchburg	\$2.38	per 1,000 gallons
City of Owingsville		
Monthly Debt Service Payment	\$4,733.91	Minimum Bill
All Usage	\$1.95	per 1,000 gallons
Bulk Sales	\$7.40	per 1,000 gallons

Forrest McKenzie
Bath County Water District
21 Church Street
P. O. Box 369
Salt Lick, KY 40371